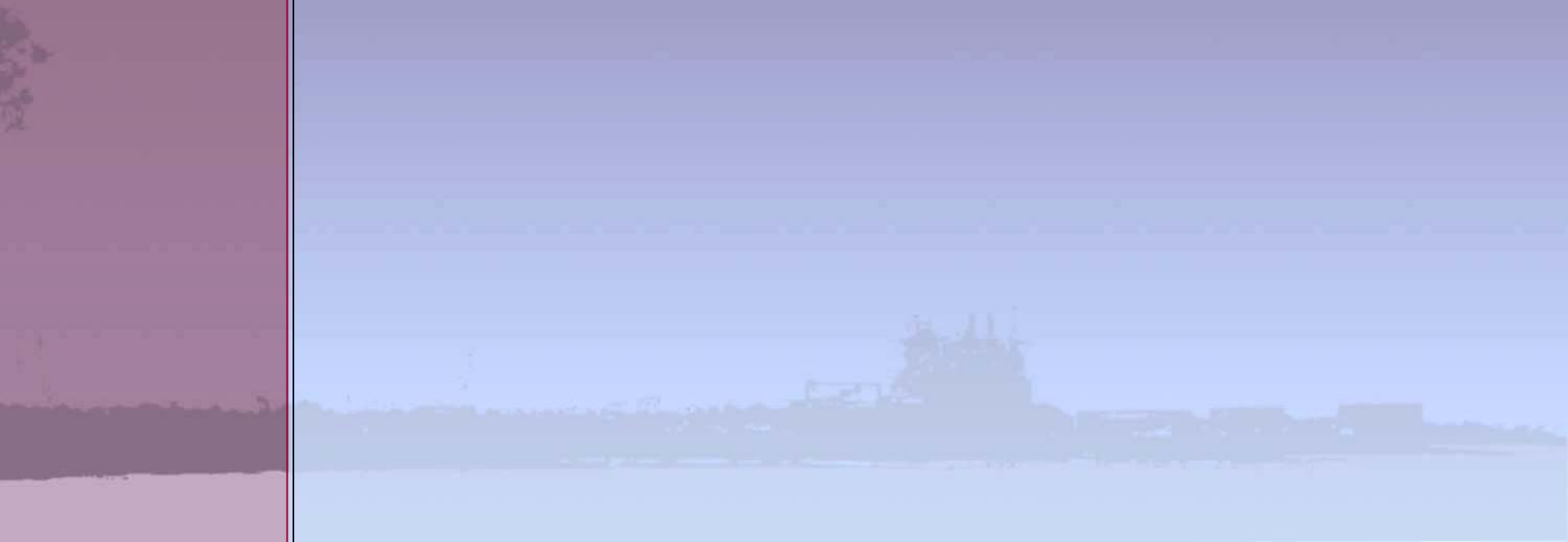


South Bay Power Plant Replacement Project



South Bay Power Plant Replacement Project

- Port District's Acquisition of South Bay Power Plant
- Existing Agreements Between the District and LS Power
- Chula Vista Bayfront Master Plan
- Port Board and City Council Policy Direction
- Port District as Land Owner / Land Use Jurisdiction

South Bay Power Plant - Acquisition



- Port Acquired “Must-Run” Facility and 162 Acres from SDG&E – December, 1998
- Acquisition Funded by CA Maritime Infrastructure Authority Bonds

“...with the intent of decommissioning and demolishing the plant for the betterment of the bay-wide region.”

South Bay Power Plant Lease Agreement

- Lessee Obligation to Operate SBPP
- Port Rent Passed Through to Pay Bond Debt
- Lessee Obligation to Decommission and Demolish SBPP – “End of Term Actions.”
- Lease Terminates 3 Months After:
 - November 1, 2009
 - Bonds are Paid
 - RMR Status is Removed

1998 Cooperation Agreement

- As Long as SBPP is a “Must-Run” Facility
 - Use Commercially Reasonable Efforts to Site and Develop RGP Prior to End of SBPP Lease
- RGP to be Sufficient to Cause ISO to Remove “Must-Run” Status
- RGP Development Milestone Schedule
 - To Achieve Commercial Operation of RGP On or Before End of SBPP Lease Term
- Port to Cooperate and Assist in Development of RGP
- RGP Location – Good Faith Negotiations

Chula Vista Bayfront Master Plan



Chula Vista Bayfront Master Plan



Planning and Development Milestones

- 11/01 Council Resolved to Support Concept of Re-Siting Plant Near SBPP on Port Tideland**
- 6/02 Direction to Begin Joint Master Plan and Investigate Feasibility of Locating RGP and Switchyard on LNG Site**
- 2004 Power Plant Working Group**
- 5/04 Preliminary CVBMP with “Energy Utility Zone” (Joint Meeting)**
- 10/04 Board Authorized Real Estate Negotiations - LNG Site**
- 11/04 Council Authorized Chula Vista / SDG&E MOU**
- 5/06 Public (Power Plant) Workshop in Chula Vista**
- 6/06 LS Power Filed AFC with CEC**

Past Council Direction and Policy on Related Energy Issues

- Work with All Local Stakeholders
- Work with State Energy Agencies and Regional Entities
- Focus on Energy Strategy Priorities
- Energy Strategy: 2000 – 2001

Additional City Actions

Regional Strategy

- Regional Infrastructure Study
- Bayfront Master Plan Power Plant Working Group, CAC Subcommittee
- Memorandum of Understanding – City & SDG&E
- “Otay Mesa Power Plant Purchase Agreement Transmission Project” (Otay Metro Loop)
- Silvergate (“Main Street”) Substation and Transmission Project

Bayfront Related Successes

- New 230 Kv Transmission Lines Currently Going Underground
- Existing 138 Kv Transmission Lines Going Underground and Lattice Towers North of J Street Removed by December 2008
- Substation to be Relocated
- Remaining Lattice Towers South of J St. Removed Upon Switchyard Relocation
- Bayfront Maintained as an Underground District

Application For Certification (AFC) – LS Power

- Concept is Now a Tangible Proposal
- Timely Opportunity for Council to Update its Knowledge Regarding the Project
 - Change in Council and Port Representation